



Health Services
LOS ANGELES COUNTY

June 19, 2007

Los Angeles County
Board of Supervisors

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First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

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Fourth District

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Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT AMENDMENT NO. H-207566-5 WITH THE
WORKER EDUCATION AND RESOURCE CENTER, INC.**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

1. Approve and authorize the Director of Health Services, or his designee (hereafter Director), to execute an Agreement Amendment, substantially similar to Exhibit I, with the Worker Education and Resource Center, Inc. (WERC) in the amount of \$3,592,094 for Fiscal Year (FY) 2007-08, to continue to provide personnel, program support services, and central office and instructional space for the Health Care Workforce Development Program (HCWDP).
2. Approve and acknowledge that the Services Employees International Union (SEIU) Local 660 changed its name to SEIU Local 721 and, therefore, all documents, contracts or agreements related to HCWDP shall recognize and may be amended as needed to reflect that the use of SEIU 660 shall henceforth refer to SEIU 721.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

The Department of Health Services (DHS) is recommending approval of the agreement amendment with WERC to continue the collaboration with SEIU Local 721 (formerly Local 660) in the implementation of the HCWDP, a joint-labor management training and education program for DHS employees.

Implementation of Strategic Plan Goals

Approval of the recommended actions will further the County's Strategic Plan of Workforce Excellence.

*To improve health
through leadership,
service and education.*



FISCAL IMPACT/FINANCING:

The maximum obligation for WERC in FY 2007-08 is \$3,592,094. Contract costs include personnel, program support services, and central office and instructional space for HCWDP.

The \$5.7 million in funding to offset this Agreement is included in the Governor's FY 2007-08 Proposed Budget. Upon approval of the FY 2007-08 State Budget, the Employment Development Department will provide the grant documents to DHS. At that time, DHS will return to your Board to recommend acceptance of the \$5.7 million grant, effective July 1, 2007.

The WERC Agreement includes language allowing the County to reduce, suspend and/or terminate the Agreement immediately if State funds are not available.

The balance of the \$5.7 million grant funds will be utilized by HCWDP to fund contracts with educational providers to continue career path programs in nursing, medical record coding, psychiatric technicians and other training activities outlined in a workplan to be jointly developed by DHS and WERC.

Funding is included in Health Services Administration's FY 2007-08 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In 2001, in response to restructuring under the 1115 Waiver, the County established the framework for a \$40 million State/County funded joint labor/management HCWDP for DHS employees for the duration of the 1115 Waiver. The agreement, under the terms and conditions of the 1115 Waiver, mandated a 2:1 funding match between the State and the County. By the end of FY 2005-06, the County had provided their one-third match. The State still owed \$11.4 million to meet their two-thirds match. In FY 2006-07, the State provided \$5.7 million general revenue funds and has included the remaining \$5.7 million in the FY 2007-08 proposed budget.

In December 2001, SEIU Local 660 (now known as Local 721) established WERC, a non-profit 501(c)3, to provide the vehicle for the joint collaboration with the County in the implementation of the HCWDP. Under this framework, DHS retained authority for program administration and oversight of the HCWDP, while WERC provided administrative support and personnel.

On June 11, 2002, the Board approved an Agreement with WERC to provide personnel to support DHS in the planning, design, and implementation of training and educational programs for DHS employees. Under the Agreement, WERC also provided program support services such as consultants for research, and support for the Labor Management Training Board (LMTB), and central office space for both County and WERC staff and instructional space located at 500 S. Virgil Avenue, Los Angeles, CA 90012. Subsequently, the Board approved four amendments to

the agreement, providing additional funding and extending the term through June 30, 2007. In Amendment No. 3, the Board also approved an increase in the central office space from 8,000 to 8,170 square feet. In addition, the Board approved an increase in the lease rate from \$1.30 per square foot per month to \$1.43 for a total of \$11,683.10 for the 8,170 square feet of central office space.

Agreement Amendment No. 5

The Amendment will extend the term of the Agreement effective July 1, 2007 through June 30, 2008. The maximum obligation of \$3,592,094 includes costs for personnel, program support services including travel and consultants, training supplies, and telecommunications costs. With the exception of rental costs, billing to the County is monthly in arrears.

In FY 2007-08, WERC will support the HCWDP in expanding current career path programs and continuing nursing and medical record coder training programs. HCWDP will expand coaching and tutoring services to support employees in the successful completion of their training. HCWDP will continue to frontload educational programs with academic preparation and bridge courses in order to prepare participants for college-level courses. HCWDP will continue a psychiatric technician training program.

Also, in FY 2007-08, WERC will develop programs to support current DHS strategic initiatives such as the Healthy Way LA Coverage Initiative and training programs associated with MetroCare and the new LAC+USC Replacement Hospital.

Program support services such as consultants for research, travel, and support for the LMTB continue under this Amendment. All travel will continue to require the prior written approval of the Director. Central office and instructional space (8,170 square feet) will also continue to be provided.

The Amendment continues to require the reconciliation of payments made by the County to contract costs incurred through March 31 of each fiscal year. Overpayments to WERC, if any, would be offset against future County payments due to WERC. However, if the Agreement is not extended, WERC shall continue to be obligated to reimburse the County for any overpayments beyond the termination of this Agreement.

The Agreement, as previously approved by your Board, continues to delegate authority to the Director to: a) adjust up to 10% of any direct cost budget line item with the exception of the Tenant Improvement, Space Costs, and Travel and Mileage items as long as the maximum obligation is not exceeded; and b) to increase or decrease the maximum obligation up to 15%, subject to availability of funding, with notification to the Chief Administrative Office.

County Counsel has approved the Amendment, Exhibit I, as to form.

CONTRACTING PROCESS:

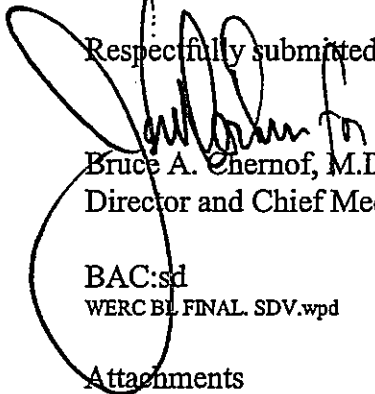
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

DHS continues to focus its training efforts in critical shortage areas and HCWDP will coordinate with facility administrators to minimize impact on patient services when employees are released to attend training programs.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:sd
WERC BL FINAL SDV.wpd

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT

1. TYPE OF SERVICE:

Personnel, program support, and central instructional and office space services to collaborate with the County in the planning, design, and implementation of training under the Health Care Workforce Development Program.

2. CONTRACTOR/ADDRESS AND CONTACT PERSON:

Worker Education and Resource Center, Inc.
500 S. Virgil Avenue, Suite 200
Los Angeles, CA 90020
Attention: Annelle Grajeda, Executive Director
Telephone: (213) 368-8632

3. TERM OF AMENDMENT:

July 1, 2007 through June 30, 2008.

4. FINANCIAL INFORMATION:

Funding is included in Health Services Administration Fiscal Year (FY) 2007-08 Proposed Budget. The maximum obligation for WERC in FY 2007-08 is \$3,592,094. Contract costs include personnel, program support services, and central office and instructional space for HCWDP.

5. GEOGRAPHIC AREAS (EMPLOYEES) SERVED:

Employees of the Department of Health Services.

6. ACCOUNTABLE FOR MONITORING:

Vivian Branchick, Director of Nursing Affairs

7. APPROVALS:

Health Care Workforce Development Program: Diane Factor, Director

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel: Allison Morse, Deputy